

## **MEMORANDUM**

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**DATE:** February 22, 2022

**TO:** Honorable Mayor and City Commission

**VIA:** James Slaton, City Manager

**FROM:** Sarah B. Kirkland, Utilities Director

**RE:** Polk Regional Water Cooperative Implementation Agreement

**SYNOPSIS:** *The City has to decide what level of participation it will take in the next phase of the Southeast Wellfield Project being designed for the Polk Regional Water Cooperative.*

### **RECOMMENDATION**

It is recommended that the Commission take the following action:

1. Approve signing the Polk Regional Water Cooperative (PRWC) implementation agreement as a Project Associate.
2. Authorize the Mayor to execute the appropriate documents, on the City's behalf.

### **BACKGROUND**

It is anticipated there will be a need for additional supply given future expected development and system expansion. Alternatives for future additional supply may potentially include bulk water purchases from the PRWC (Polk Regional Water Cooperative). The City is a participant of the PRWC who is developing the Southeast Wellfield Project. Whether to sign on to this project is a significant water supply decision for the Staff and Commission to make. Therefore, Staff wants to provide the Commission with all relevant information to make an informed decision, which will affect its citizens for years to come. Signing the implementation agreement as a Project Associate allows the City time to perform some due diligence as to the feasibility of a City funded Alternative Water Source project. The Commission approved for the City to be represented as a project associate at the April 20, 2021 city commission meeting. The agreement is being brought back before the commission because of some minor changes made to the agreement. While there have been changes to the agreement, it does not affect the city's position to continue as a project associate at this time.

Staff recommends the Commission take the following action, approve the City becoming a Project Associate, until such time the City's own Alternative Water Source Study is completed, and authorize the Mayor to execute the appropriate documents, on the City's behalf.

### **OTHER OPTIONS**

The Commission could choose not to approve the City becoming a Project Associate of the Southeast Wellfield project. The other options would be for the City to become a Project Partner, which would obligate the City financially for the debt to be incurred, which is somewhat still undetermined. The final option is to elect to not be a part of the Cooperative.

**FISCAL IMPACT**

Becoming a Project Associate will not obligate the City for any of the debt at this time. If at any time the City changes its position and chooses the option to become a Project Partner of the Southeast Wellfield project, it is at that time financial responsibility will be determined.

**ATTACHMENTS**

Polk Regional Water Cooperative Implementation Agreement